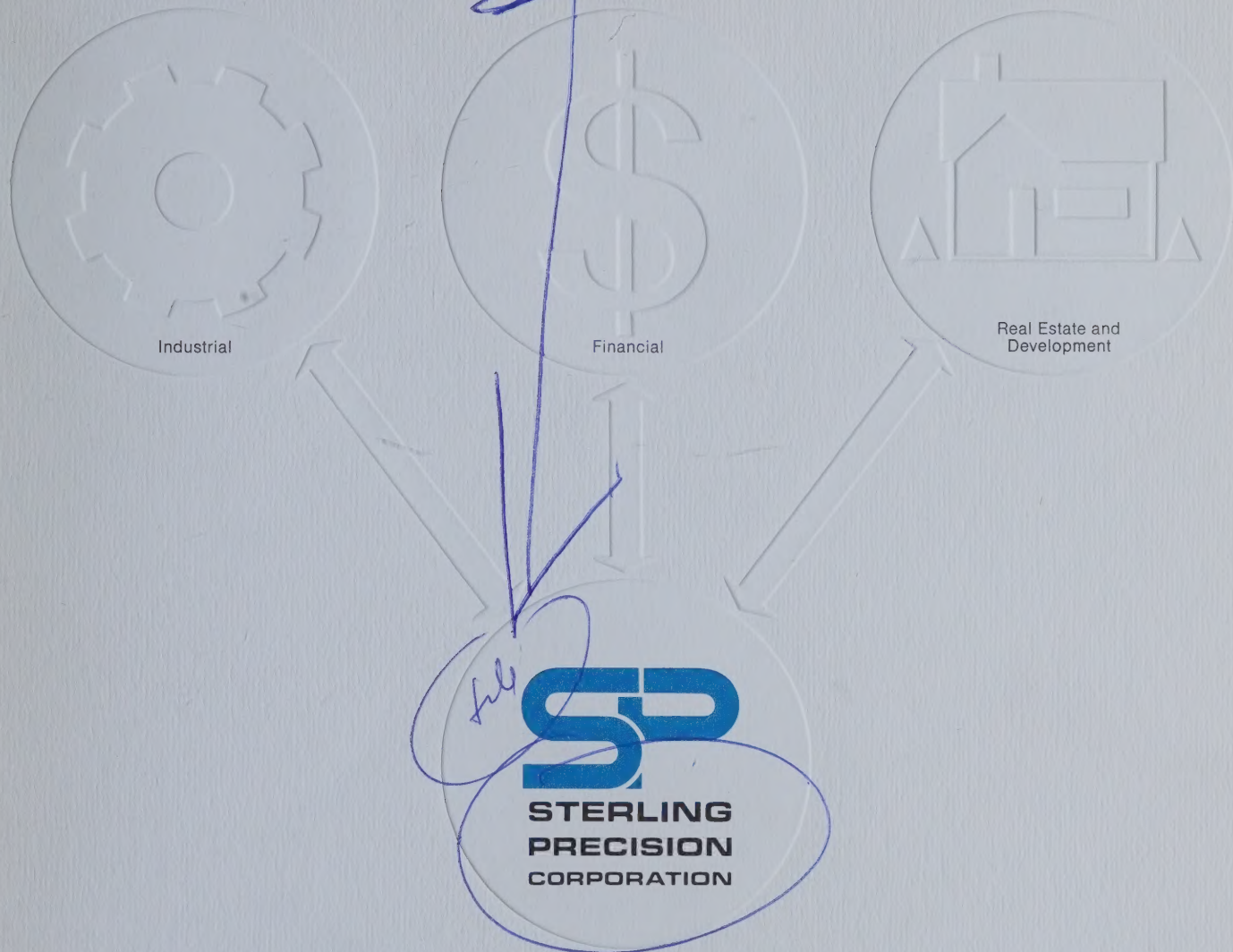




ANNUAL REPORT 1971

Real Estate and Development

Prefabricated and modular home construction, modular building components, land development and sales, leasing of industrial properties, agribusiness including ranching and farming.

Financial

Commercial banking, residential and commercial financing, trailer financing, special automotive and mobile equipment financing.

Industrial

Automotive and agricultural replacement parts, materials handling equipment, machine tools, engineering and fabrication, office systems and supplies.

**1971 Highlights**

Years ended April 30

1971

1970

OPERATING RESULTS

Net Sales	<u>\$61,915,210</u>	<u>\$63,136,313</u>
Income before Extraordinary Items	<u>\$ 1,773,063</u>	<u>\$ 1,420,155</u>
Extraordinary Items	—	642,623
Net Income	<u>\$ 1,773,063</u>	<u>\$ 2,062,778</u>
Earnings per Common Share		
Income before extraordinary items	<u>\$.36</u>	<u>\$.30</u>
Extraordinary items	—	.15
Net Income	<u>\$.36</u>	<u>\$.45</u>

YEAR-END POSITION

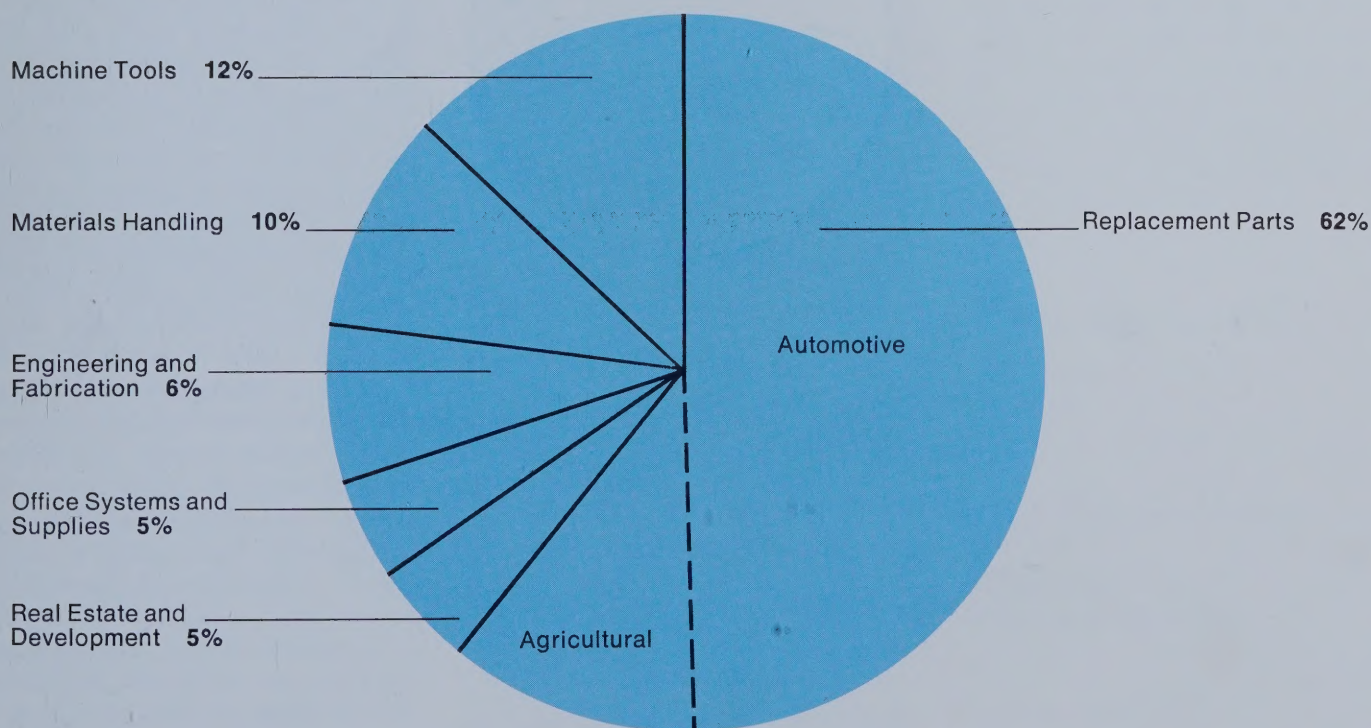
Working Capital	<u>\$14,424,048</u>	<u>\$12,723,806</u>
Total Assets	<u>\$52,789,953</u>	<u>\$50,922,861</u>
Common Stockholders' Equity	<u>\$19,086,647</u>	<u>\$15,739,316</u>
Number of Common Shares Outstanding at End of Year	<u>4,348,296</u>	<u>4,189,209</u>
Common Stockholders' Equity per Share	<u>\$4.39</u>	<u>\$3.76</u>

Balanced Group of Companies

SALES BY OPERATING GROUP (Amounts in Thousands)

	1971		1970	
	Amount	Percent	Amount	Percent
Industrial				
Replacement parts	\$38,459	62%	\$32,315	51%
Machine tools	7,500	12	8,890	14
Materials handling	6,137	10	6,958	11
Engineering and fabrication	3,986	6	3,410	5
Office systems and supplies	2,921	5	3,713	6
Office furniture (sold in October 1969)	—	—	5,578	9
	<u>\$59,003</u>	<u>95</u>	<u>\$60,864</u>	<u>96</u>
Real Estate and Development	<u>2,912</u>	<u>5</u>	<u>2,272</u>	<u>4</u>
	<u>\$61,915</u>	<u>100%</u>	<u>\$63,136</u>	<u>100%</u>
Financial	Revenues of the financial subsidiary are not included above.			

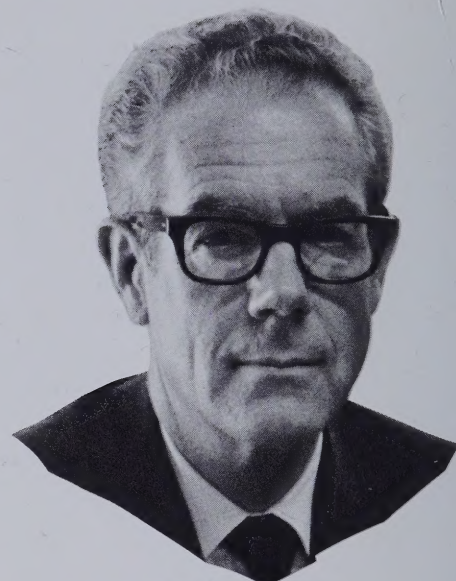
1971 Sales



To the Shareholders:



J. RUSSELL DUNCAN
*Chairman of the Board and
Chief Executive Officer*



MATTHEW E. CARROLL
President

Sterling's "balanced investment" structure demonstrated its capacity to increase earnings even during a generally depressed business climate.

Operating earnings enlarged for the ninth consecutive fiscal year. As set forth in the financial review on page 11, income from operations reached \$1,773,000 in the current fiscal year ended April 30, 1971, an increase of 25% over the \$1,420,000 reported last year.

Consolidated sales from continuing operations for fiscal 1971 reached \$61.9 million, 8% higher than the comparable \$57.5 million sales recorded last year which adjusted figure excluded \$5.6 million of sales previously derived from operating units sold during the fiscal year ended April 30, 1970.

Sterling's strength stems from its policy of balancing capital investments between selected business sectors and geographically, including the U. S. and Canada. This conduct helps mitigate possible adverse

effects of economic unbalance. Continuing inflation is being offset by the increase in underlying value of vast real estate holdings, favorable adjustment in the relative exchange rate vis-a-vis the Canadian and U.S. dollar and the augmenting earnings power of the primary operations. The automotive and agricultural replacement parts group, practically depression proof, increased sales by 19% reaching a new record of \$38.5 million in fiscal 1971; this expanding organization now accounts for over 62% of the Company's annual volume. In addition, the replacement parts group advanced profit by almost 40% over the previous fiscal year thus building in additional soundness to the over-all structure. The financial services group, which includes the majority shares of the Milwaukee Western Bank, continued to contribute an impressive profit; this source of earnings is defensive.

Management classifies the Company's investments as being in the mainstream of the future. The in-

evitable resurgence of the U. S. and Canadian economies will have a positive impact on combined operating earnings.

Though some of the subsidiaries did not reach budgeted performance in fiscal 1971, primarily because of depressed business conditions in their particular fields, the businesses fundamentally provide exceptional opportunity for expansion and development of better-than-average earnings.

Homestead Corporation, the prefab and modular housing subsidiary, could not realize its potential during fiscal 1971 principally because of the prevailing shortage of mortgage funds required to support housing starts. Even though results were disappointing, production activity is already picking up reflecting the effect of improving flow of mortgage funds. The demand for low priced homes and apartments is huge. The easing of the money market and increasing government assistance, in combination with the favorable effect of the deceleration of the Vietnam war, should accelerate demand. Management expects Homestead to turn in an impressive profit performance next fiscal year which will support the Company's further expansion in the home production field.

During May 1971, the real estate development subsidiary launched its initial subdivision, Silverbell Estates, located on the Company's vast acreage holdings near Phoenix, Arizona. Demand for the ranchette category of building site is large and sales are ahead of expectations. Other adjacent acreage is currently being zoned to support this selling activity. A mobile home park development, Tangerine Estates, near Tucson, Arizona, should be opened for selling within twelve months. That property is already properly zoned. Management projects that these land sales

will contribute impressively to the Company's future profits.

The machine tool group's volume was lower in fiscal 1971 but earnings remained good. Though industry statistics are depressed, to the contrary, the Upton Bradeen & James subsidiaries are reporting increased bookings.

All other subsidiaries continue to develop as planned.

The Company's financial position steadily strengthens. Working capital at fiscal year-end increased by \$1.7 million over the same date last year. The ratio of current assets to current liabilities remained constant at 1.8:1.

A major long-term financing to restructure short-term debt is planned. In the opinion of management, the time is right to pursue such a realignment.

The search for acquisitions that meet corporate criteria continues. Sterling's initial expansion of its automotive replacement parts business into the U. S. was realized by the acquisition of Connell Automotive in January 1971 which action was a part of the over-all plan of expansion in the North American automotive aftermarket.

Though many acquisition prospects are being investigated, no transactions are now pending.

Relevant factors relating to dividend payments are periodically reviewed. Though a regular dividend is not implied, on January 15, 1971 a 5% stock dividend was paid. It is hoped that Sterling's continuing operating success will justify consideration of another dividend this fiscal year.

The end results of omnipresent inflation interacting with the languid economy requires constant reassessment. The Company is strategically fashioned to avoid the traps of illusionary success that can hap-

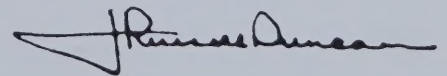
pen during these puzzling economic evolutions. When establishing long-term strategy, the probable consequences of benign devaluation have been taken into full consideration as well as the possible pitfalls of continuing inflation. Sterling's operations are soundly diversified in the U. S. and Canada rendering its business responsive to the fortunes of more than one economy and providing built-in arbitrage of devaluation.

The year-to-year expansion of the replacement parts business provides an invulnerable floor under the corporate profit and simultaneously provides growth during a listless economy.

In conclusion, management predicts Sterling's future will be increasingly profitable, thus collaterally building an even stronger underlying financial position. The fields in which the Company is committed are destined to expand at better-than-average annual rates. In the near-term, most indications are that the North American economies are on the threshold of a bullish phase which can provide additional support to management's prediction of another very successful year in fiscal 1972.



M. E. Carroll
President



J. Russell Duncan
Chairman of the Board

June 25, 1971

Operational Report



INDUSTRIAL

Replacement Parts

Sterling's management is developing a major replacement parts group; this organization is currently reporting annual sales of \$38.5 million.

The replacement parts business incorporates favorable investment features. The general field benefits from the ever increasing use by the public of mechanical items which collaterally cause proliferation of demand for related repair parts. The built-in growth factors and defensive characteristics render the field attractive for long-term investment. Importantly, most of the products now are essential to everyone's way of life, a feature which must be given substantial weight in the investment decision.

The multiplying mechanization and use of mechanical gadgets, such as farm tools, lawn mowers, chain saws, hand power tools, metal working machinery, air conditioners, ice makers, washer-dryers, snow mobiles, outboard and inboard motors, automobiles and trucks, etc., are creating an unbelievable demand for replacement and service parts.



Top: Parts distribution warehouse opened by McKerlie Automotive in eastern Toronto, Ontario, in February 1971.

Middle: Parts distribution warehouse at John Millen's head office location in Montreal, Quebec.

Bottom: Connell Automotive headquarters and main warehouse in Walpole, Massachusetts.



Because the aftermarket parts business offers a solid base and an opportunity to earn a better than average return-on-investment, management is committing an important share of the Company's capital in this general field.

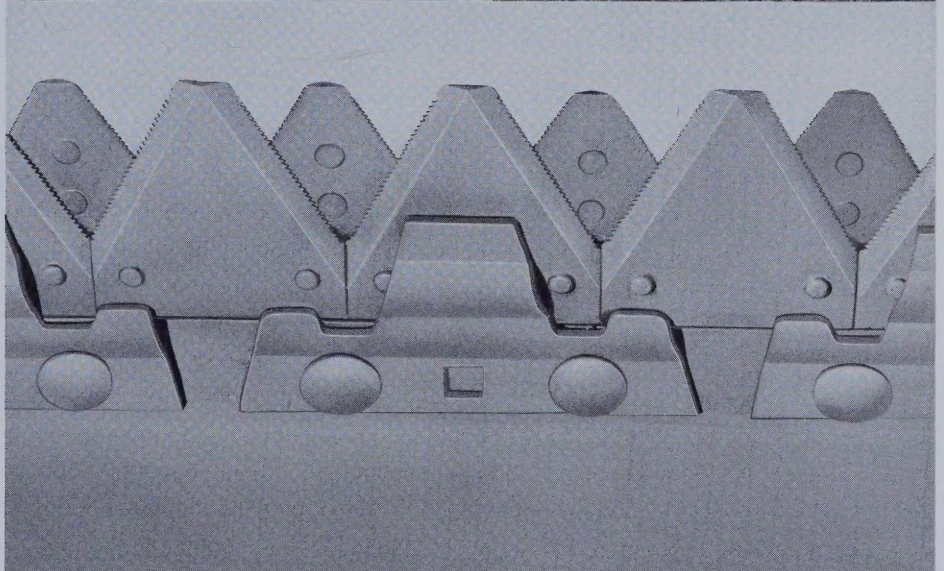
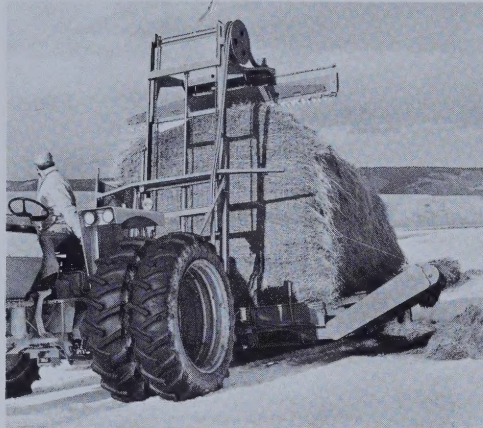
Sterling already is an important factor in both the automotive and farm replacement parts businesses.

Over the past four years the McKerlie-Millen organization has become one of North America's largest automotive parts warehousing-distributors operating in both Ontario and Quebec, Canada. In January 1971, the group's volume was supplemented by the acquisition of Connell Automotive, Walpole, Massachusetts; thereby establishing a strong position in the New England market. Internal growth was augmented by opening a new parts distribution warehouse in eastern Toronto and establishing new jobber outlets in Stratford, Ontario, and Ville Laval, Quebec. Additional openings in other strategic markets are planned for the forthcoming fiscal year.

The automotive parts group registered a 21% increase in sales and 39% higher profit over the previous fiscal year. These results demonstrate dramatically the potential for this group when considering the slowdown in the U.S. and Canadian economies during the period.

The farm replacement parts business, represented by R. Herschel Manufacturing and its Whitaker Manufacturing division, headquartered in Peoria, Illinois, also reported good performance. Combined operations of these units contributed impressively to Sterling's fiscal 1971 results. The agricultural replacement parts operations realized a 40% profit increase over the previous year on an increase in sales of 12%. This reflects the strong team managing the business, carefully executed economies and increasing sales volume.

The future of the replacement parts group is supported by ever increasing demand.



Cutter bar and blades manufactured by R. Herschel and Whitaker Manufacturing for use in agricultural equipment pictured above as well as other farm machinery.

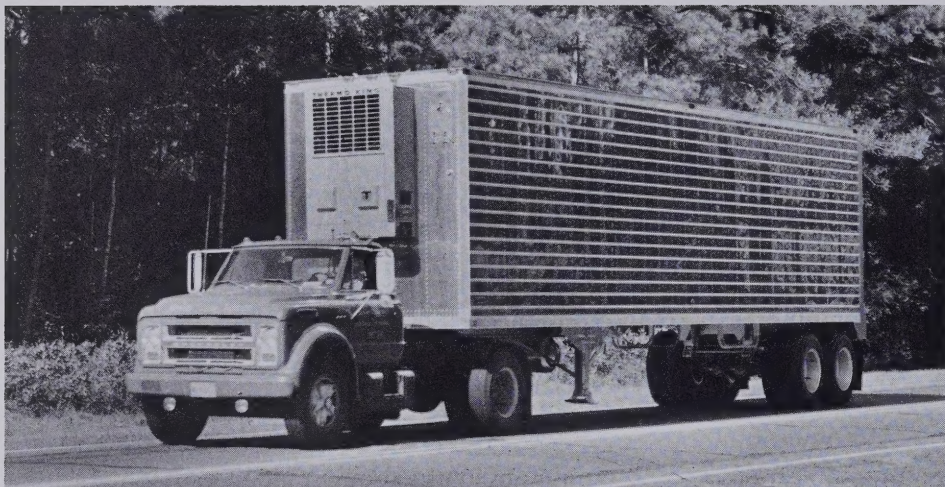
Materials Handling Group

This group, made up of Nabors Trailers and the Materials Handling Division of Amalgamated Metal Industries (AMI) experienced lower sales causing a reduction of profit. The group's sales were below budget reaching \$6.1 million* in fiscal 1971 compared with almost \$7 million last year.

The Nabors Trailers sales organization performed better than the industry in general and management demonstrated its ability to control costs. The GM strike in the fall, coupled with a sagging economy, took its toll in reduced demand for trailers. Management's experience

in the freight trailer industry, applied in combination with a good operating team were the essential ingredients needed to minimize the reduction in sales volume by only 7% as compared to the 15% to 30% drop-off suffered by most competition during this challenging period.

Market acceptance of Nabors new "Lustravan" aluminum freight trailer, introduced in August 1970, helps hold volume. Two new models of platform trailers were launched during the year which filled certain gaps in the line. These models should assist in increasing future sales. The Nabors engineering department's development programs continue at full tilt. Currently new configurations are being designed which include a new aluminum utility truck van body and open top feed and grain trailers.



Top: "Lustravan" aluminum freight trailer introduced by Nabors Trailers in August 1970.

Bottom: Self-contained Dempster Dumpmaster refuse packers manufactured by the Materials Handling Division of AMI.

For the first time in four years Nabors did not meet its annual growth target; nevertheless, the facts are conclusive that the long-term market outlook for the cargo trailer industry is expansive. A direct result of population growth is the increasing flow of freight transportation. Nabors projects trailer volume will be considerably higher in fiscal 1972.

The handling of municipal and industrial waste continues to be a national challenge. AMI, which manufactures waste handling equipment under license from Dempster-Dumpster, introduced new products in 1971. A new "rear-end" loader is

now in full production. Two packer models were introduced in June 1971. More intensive sales effort being applied should increase sales next year.

The materials handling volume should progressively account for a higher percentage of Sterling's consolidated volume.

Machine Tools

The Upton Bradeen & James (UBJ) companies have one of the outstanding machine tool selling organizations in North America. General operations are arranged to pro-

vide maximum control of overhead. The combination provided good results in a very negative economy. The sales organization accomplished remarkable results in fiscal 1971 in comparison with a decline of over 40% in the over-all machine tool industry in North America, the worst period in 8 to 10 years. The UBJ group's combined 1971 sales of \$7.5 million were below last fiscal year's sales of \$8.9 million. Though sales were lower, profits remained good.

UBJ's Canadian operations, headquartered in Toronto, were affected particularly by the significant drop-off in volume in the province of Quebec because of the stagnant economy in that particular region.

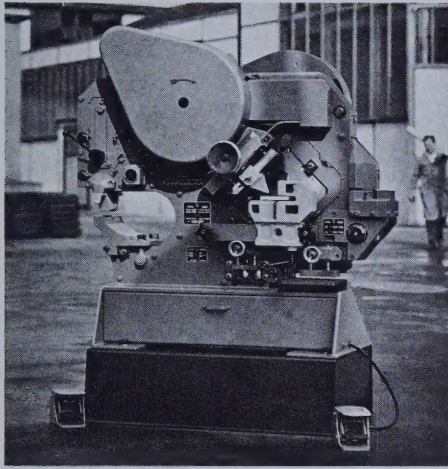
In other Canadian provinces private and government projects were deferred because of the slowdown in the general Canadian economy; such a development temporarily reduced machine tool delivery and demand.

The UBJ U.S. operations, headquartered in Detroit, similarly suffered from a drastic drop-off in sales volume. U.S. machine tool industry sales were off 47%. UBJ's selling organization bucked the trend by holding the drop to only 25% below the previous fiscal year.

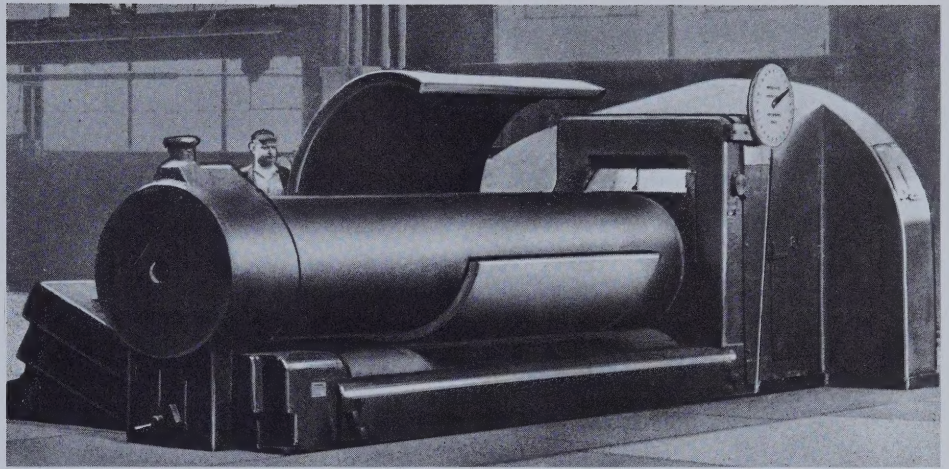
Management is devoting time to implementation of additional sales training such as product knowledge, application and other technical knowledge that will provide additional background for the salesmen to increase customer service. More salesmen have been recruited to increase future market penetration.

New machine lines for distribution in the U.S. and Canadian territories have been added which include precision grinding machines, specialized welding equipment, riveting machines and tube benders and other lines will be developed in the future.

The operating officers have expressed confidence that the increased sales and profit targets established for fiscal 1972 will be met.



Peddinghaus universal steel worker distributed under exclusive license by UBJ U.S.



Bertsch pinch type blade bending roll sold by UBJ Canada rolling A-212 blades 3" thick to 38" diameter.

Engineering & Fabrication

The Plate and Structural Steel Division of AMI increased sales to almost \$4 million in fiscal 1971 from \$3.4 million last year, an increase of 17%. The division's present backlog is approximately \$5 million which provides a starting base from which to reach a higher sales level in fiscal 1972. Important contracts have already been signed with hydroelectric companies.

During the past two years, facilities have been expanded and improved. New equipment was purchased to ease handling of even larger jobs. This expansion included a 72 foot extension of the main fabricating shop, a new 10 ton overhead crane, 50 ton mobile field crane and various cutting, finishing and welding machinery. The improved facilities allow the company to enter additional fields.

Because of the new capabilities, the division entered the large diameter storage tank field and two such installations, 180 feet in diameter, are now being erected. A number of major bids on other large installations are outstanding and division management is confident a fair share of awards will be received.

The Plate and Structural Steel Division of AMI's products include components for atomic and hydroelectric plants, mining and paper

mill machinery, tankage, large diameter pipe and other engineered and heavy fabricated items. These are essential to the industrial expansion of Canada. Labor relations appear to be sound, though management's careful attention will be required during this period. The long-range outlook for the division is very favorable; expansion of sales is expected in fiscal 1972.

First materials handling bin used for this type of application installed at the Hamilton, Ontario, incinerator project.



Office Systems & Supplies

Elbe File and Binder and C.E. Shepard (CESCO) comprise Sterling's office systems and supplies group. The products of these companies are considered to be "rapidly wasting" and will benefit from the ever increasing stream of paperwork required in the commercial world.

This past fiscal year was one of continuing reorganization. 1972 is expected to be profitable and the group should start producing a reasonable return on investment.

Product lines marketed have been studied with the objective of determining the more profitable items to be concentrated upon in the future. In the industrial market, a line of cassette albums will be introduced and some binders, utilizing new materials, are already being sold.

CESCO's new hospital control systems introduced last year are being received well by the trade; particularly the narcotic control system. Additional sales emphasis is also being placed on increasing the volume of the Multi-Rite system, a well established product line.

Additional acquisitions in this expanding field of specialized forms and binders are being sought. The Fall River plant can handle substantially more volume without significant capital expenditure.



Special binders for a large commercial order being manufactured at Elbe.

Important manufacturing process improvements have been put into effect. More efficient methods for producing file folders and cases were adopted in 1971. Packaging of various business systems products were highly automated.

The operating officers report that the long range sales outlook for Elbe/CESCO has never been more favorable. A 5-year plan is in effect to significantly increase sales volume in the present line of products and develop additional complimentary lines. Acquisitions are also planned.

A good management team is on the job and their intense effort should reflect in higher sales and more profitable operations in 1972.

Both financial subsidiaries, 60% owned Milwaukee Western Bank and 100% owned Bayou Acceptance Corporation, should report further expansion in fiscal 1972 reflecting underlying profit programs in effect.

Banking

Milwaukee Western Bank experienced another excellent year in fiscal 1971. Deposits reached an all-time record and earnings approximated last year's record high. The institution's year-end deposits

were up to \$63 million compared to \$59 million at April 30, 1970.

The Bank's already modern building was partially renovated with the objective of creating a more inviting atmosphere in the customer areas. The bank lobby was opened up by removal of dividing walls and railings. The service areas were fully carpeted, redecorated with new drapes and ceilings and walls were repainted. Comfortable customer lounge areas were installed. The facilities now convey a welcoming feeling. Exterior improvements were also made including the resurfacing of all parking areas.

Several new officers were elected and new banking talent recruited. A program to build this organization continues.

The Bank's management is pushing programs devised to expand the deposits and increase profits. The Bank's board recently acted to increase the lending limit to \$1 million which helps retain customers that grow to need larger credit lines and broadens the Bank's opportunity to seek bigger industrial customers. The progressive restructuring of the Bank's portfolio also lays the ground work for further credit expansion as economic activity increases. Soundness of management's concepts are confirmed by the Bank's outstanding return on equity equivalent to approximately 11% in fiscal 1971. Further growth in deposits and profit is expected in 1972.

Milwaukee Western Bank, Capitol Drive at 60th Street, Milwaukee Wisconsin.



FINANCIAL

Milwaukee Western Corporation, Sterling's 90.5% owned financial subsidiary, again showed excellent earnings. Sterling's equity in consolidated net income was \$404,000 in fiscal 1971 as compared to \$417,000 last year. Operations are now poised for major growth.

Financing

Bayou Acceptance Corporation's results have been tied closely to the rate of expansion at Nabors Trailers, a freight trailer subsidiary of Sterling. Management has restricted lending in order to limit the rate of annual additional capital requirements and, importantly, to gear expansion of the loan portfolio to the size of the organization needed to service such loans. In addition, the policy of limiting Bayou's loans to high credit rated, low risk accounts tended to restrict growth; however, credit losses have also been minor. Bayou's capital will be expanded this year to support larger banking requirements called for to substantially increase a higher rate of acceptance of freight trailer paper and to facilitate the initiation of mortgage investments from the modular home affiliate, Homestead Corporation.

Though Bayou's profit contribution remained level in fiscal 1971, the growth course now being aggressively pursued should be reflected in 1972.

Management expects to expand the financial group not only through internal growth but also by emphasizing acquisitions in the fields of capital goods and trailer leasing, mortgage banking and servicing, certain categories of insurance, and other financial services. Milwaukee

Western Corporation's 1971 fiscal year annual report was recently mailed to its stockholders and sets forth operations in greater detail. Approximately 9½% of the corporation's shares are in the hands of 10,285 shareholders. Management believes that the public market for these shares can be developed, which accomplishment can favorably effect the market value of Sterling's holdings in this public company.



REAL ESTATE AND DEVELOPMENT

Sterling's real estate and development group includes Selective Resources Corporation, Homestead Corporation and Greater Arizona Ranches. Holdings of this real property group include three industrial buildings, two of which are leased to third parties, 86,000 contiguous acres in Arizona of which 10,000 acres are deeded and 76,000 acres of state and federal grazing land are held under long-term leases, and other minor holdings. A primary motivation behind this operation is to offset the effects of inflation.

The principal objectives of this group are to acquire raw land considered to be in the early stage of maturity in value located in areas calling for geographical expansion

(so called "strip cities"), carry the acquired property closer to maturity value through nominal interim improvements and developments, and progressively liquidate the holdings as land values increase to a point at which a substantial gain can be realized.

Capital commitments to real property are restricted to a relatively low ratio of the Company's total capital in order to retain maximum fiscal flexibility. Purchases are made at prices considered to allow ready liquidation even under adverse market circumstances. As a matter of buying policy, land is not acquired in isolated areas which can be sold only by expensive, high-pressure, "force fed" sales efforts.

Prefab & Modular Housing

Homestead Corporation primarily engineers and manufactures prefabricated and modular homes and apartments. During the past year, the company began manufacturing complete bathroom modules for motel and service station application and now enjoys a substantial backlog of orders for these engineered building components. Homestead's operations were unprofitable in fiscal 1971 mainly because of the low level of unit sales caused primarily by the prevailing shortage of mortgage funds required to support volume housing starts. Homestead's production activity is now accelerating, reflecting acceptance of new designs and the improving flow of mortgage funds. The company is operating profitably and management projects substantial profit for the full fiscal year 1972.

Steadily increasing land costs dictate long range planning of land acquisitions to assure a steady supply of profitable homesites. Accordingly, Homestead has launched a new subdivision, Homestead Meadows in New Baltimore, Michigan, which will include about 120 building sites. Management forecasts an early sell out. The experience gained from this venture will be applied to future land develop-

Bathroom modules under construction in the Homestead plant in Sterling Heights, Michigan.





Complete bathroom module being lifted into place for a Homestead customer.

ments under examination.

Construction wages are rising at an estimated annual rate of 15%. The solution to offsetting some of this cost appears to be the maximum use of pre-built modules completed in a factory. Homestead caters to the low and medium income housing market in a price range of \$15,000—\$30,000 including lot.

Household formations are projected to reach about 1.34 million annually by 1975 and housing construction appears to be one of the dynamic areas on the economic horizon. Starts have recently shown an upsurge to an adjusted annual rate of 1.79 million units versus 1.25 million in the previous year.

Market conditions appear to support the expansion of Homestead in the near-term.

Real Estate & Agribusiness

Greater Arizona Ranches, the real estate and agribusiness division, reported a loss in fiscal 1971 which was caused by a combination of heavy interest charges, marginal

prices received from crops, a carry-over of cattle earmarked for sale last fiscal year and late timing of land sales.

During May 1971, the company launched its initial land sale subdivision, Silverbell Estates, situated on its vast acreage holdings near Phoenix, Arizona. The planned conversion of this raw land to a combination of cash and interest bearing paper should contribute substantially to future profits. Demand for these 3½ acre ranchette building sites is large and sales are running ahead of schedule. Other adjacent raw land is now being properly zoned to support this activity.

Tangerine Estates, a mobile home park development near Tucson, Arizona, is now being readied for sale within the next twelve months. That property is already zoned for industrial use and mobile homesites.

Land development activity in the general area of Greater Arizona Ranches' holdings is increasing. A major listed company recently bought the adjoining Arizona City operation and acquisitions have been made by other large developers. The Phoenix-Tucson strip city zone continues to expand at a rapid pace. Greater Arizona Ranches' land, which includes important water resources and a water

utility company, as well as valuable long-term lease rights, has significantly increased in market value this past year. Continuing land sales by Greater Arizona Ranches should progressively contribute handsomely to combined profit.

Greater Arizona Ranches' agribusiness is utilized as a base for carrying the land and supporting the organization. Growing conditions relating to crops and grazing land were generally unfavorable last year. Lettuce, one of Greater Arizona Ranches' primary cash crops, was sold at marginal prices this past season. The alfalfa, grain crops and cotton operations produced a fair margin. Profit projections for fiscal 1971 were missed partly because of delaying cattle sales. Management, according to normal operating plans, schedules the annual sale of a percentage of the cattle herd. Because of the unusual light weight of the cattle earmarked for sale, the units were carried over to be sold this year. Cattle prices continue high and should provide a good profit this fiscal year.

Management fully expects Greater Arizona Ranches' land development and agribusiness to be a source of important profit in the future. The complex provides a natural inflation hedge.

Gateway to Silverbell Estates subdivision near Phoenix, Arizona.



Financial Review

Sales

Consolidated sales for the fiscal year ended April 30, 1971 reached \$61.9 million. This is an 8% increase over the comparable \$57.5 million of sales recorded last year after excluding \$5.6 million of sales from operating units sold during the fiscal year ended April 30, 1970.

The replacement parts group sales increased 19%, reaching a new record \$38.5 million in fiscal 1971. This expanding group now accounts for in excess of 62% of the Company's volume.

Earnings

Income before extraordinary items reached \$1,773,000 in the current fiscal year, an increase of 25% over the \$1,420,000 reported last year. Net earnings per common share for 1971, after providing \$187,000 for preferred dividends, amounted to 36¢. Before extraordinary items, earnings per common share in fiscal 1970 were 30¢ after providing \$111,000 for preferred dividends.

Extraordinary credits in 1970 amounted to \$643,000, or 15¢ per common share. No extraordinary items were recorded in the fiscal year just ended.

The replacement parts group continued to contribute heavily to earnings in fiscal 1971 by increasing profit by almost 40% over the previous fiscal year.

Milwaukee Western Corporation, Sterling's 90.5% owned financial subsidiary, contributed approximately the same earnings in 1971 as in the prior fiscal year.

The real estate and development group failed to operate profitably in 1971.

Dividends

On November 17, 1970, the Board of Directors of the Company declared a 5% stock dividend payable January 15, 1971 to common stockholders of record December 15, 1970. In June 1969, one share of common stock of Milwaukee Western Corporation was distributed as a dividend for every 25 shares of Sterling common held.

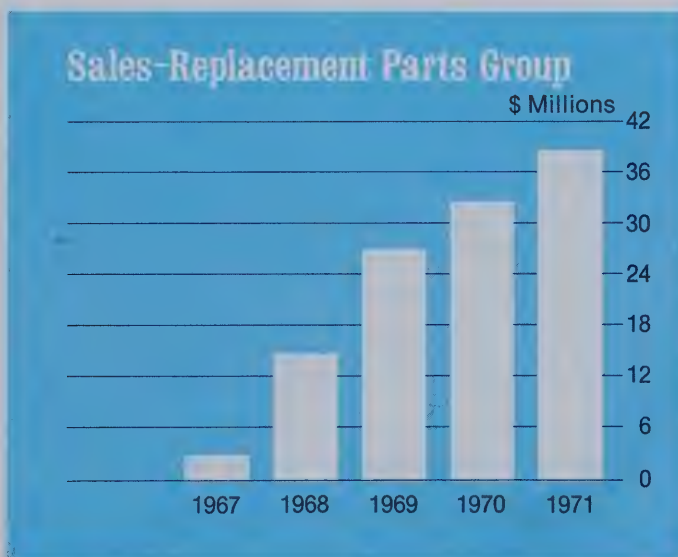
Working Capital

The Company's working capital totalled \$14.4 million at April 30, 1971, an increase of \$1.7 million over the comparable amount on the April 30, 1970 balance sheet. The ratio of current assets to current liabilities at the end of both fiscal years was 1.8:1.

Investment in Financial Subsidiary

The Company's investment in Milwaukee Western Corporation is carried at cost plus increase in equity since formation as of May 1, 1969. The Company also holds warrants to purchase 400,000 additional common shares at \$7.50 per share at any time on or prior to August 1, 1976.

The audited consolidated financial statements of Milwaukee Western Corporation and subsidiaries as of April 30, 1971 and 1970 and for the years then ended are condensed on the following page:



	1971	1970
	(in thousands)	
Assets:		
Cash and due from banks . . .	\$ 3,721	\$ 3,663
Investments	33,844	26,992
Loans	32,578	34,746
Other assets	4,502	4,330
	<u>\$74,645</u>	<u>\$69,731</u>
Liabilities:		
Deposits	\$62,597	\$58,651
Other liabilities	2,099	1,771
Minority Interest in Milwaukee Western Bank	2,954	2,761
Stockholders' Equity (including \$1.6 million reserve for possible loan losses)	6,995	6,548
	<u>\$74,645</u>	<u>\$69,731</u>
Net operating income	\$ 1,044	\$ 1,301
Provision for income taxes . . .	294	461
	750	840
Loss on sales of investments . .	—	63
	750	777
Minority interest in Milwaukee Western Bank	303	316
Net Income	<u>\$ 447</u>	<u>\$ 461</u>
Equity of Sterling Precision Corporation in Net Income	<u>\$ 404</u>	<u>\$ 417</u>

At April 30, 1971, the carrying value of the Company's investment exceeded its 90.5% interest in the total stockholders' equity of Milwaukee Western Corporation by \$276,489 and such amount is not being amortized.

Non-Current Notes Receivable

As of April 30, 1971, the Company accepted certain assets in partial payment of the unpaid principal balance of non-current notes receivable. On May 27, 1971, these assets were sold for cash, and accordingly the Company's investment therein is included in current assets in the April 30, 1971 balance sheet. The sale will be accounted for in fiscal 1972.

Other Assets

The cost of investments in consolidated subsidiaries in excess of equity in net assets at dates of acquisition is not being amortized because, in the opinion of management, no diminution in value has occurred. The amount represents the difference at dates of acquisition between the value of consideration given in exchange and the capital stock or net assets of companies purchased.

Properties

	1971	1970
Operating, at cost		
Land	\$1,096,732	\$1,095,338
Buildings and leasehold improvements	4,242,838	4,733,229
Machinery and equipment	6,237,394	5,848,264
	<u>11,576,964</u>	<u>11,676,831</u>
Accumulated depreciation and amortization	5,201,211	4,913,141
	<u>\$6,375,753</u>	<u>\$6,763,690</u>
Leased to others, at cost		
Land	\$1,077,107	\$ 377,106
Buildings and equipment	2,831,770	2,408,023
	<u>3,908,877</u>	<u>2,785,129</u>
Accumulated depreciation	1,665,871	1,472,508
	<u>\$2,243,006</u>	<u>\$1,312,621</u>

Long-Term Debt

Bank loans due in varying amounts from 1972 to 1980, with interest of 5½ % to 6⅞ % at April 30, 1971	\$ 6,768,380
5-8% mortgage notes payable to 1991 . .	2,104,719
4-8½ % notes generally due in installments to 1983	1,153,575
Income Debentures	
4.1% payable annually from 1972 to 1979	1,491,000
5-6½ % payable annually from 1972 to 1981	1,082,576
4½ % payable annually from 1972 to 1975	722,823
	<u>13,323,073</u>
Less—Current portion	1,738,131
Long-term Debt	<u>\$11,584,942</u>

Long-term debt is payable as follows:

Year ending April 30	Amount
1973	\$ 1,702,059
1974	1,717,921
1975	2,886,840
1976	939,239
1977 and thereafter	4,338,883
	<u>\$11,584,942</u>

A term loan agreement with two banks provides that dividends can be paid only to the extent that cash is

available after prescribed loan prepayments have been made based on a formula set forth in the agreement. The agreement, among other stipulations, calls for the maintenance of certain ratios of consolidated working capital and tangible net worth and, under certain conditions, for prepayment at the option of the Company. At April 30, 1971, retained earnings are available only for payment of dividends in stock of the Company.

Consolidated assets with net carrying values of approximately \$17,200,000 consisting of certain property, plant and equipment, inventories, accounts receivable and stock of Milwaukee Western Corporation were pledged as collateral for approximately \$12,000,000 of current and long-term indebtedness.

Income Taxes

The provision for income taxes has been reduced in both years to provide for permanent differences between book and tax treatment of certain acquired assets and liabilities. Further, in 1971 no tax provision was required with respect to income arising from the translation of net current assets of Canadian subsidiaries to U. S. dollars. Deferred income taxes arise from various timing differences between book and tax treatment of certain expenditures and revenues.

Preferred and Common Stock

Holders of Series A Cumulative Convertible Preferred Stock are entitled to preference of \$10 per share upon liquidation or dissolution and to annual dividends of 45¢ per share on a cumulative basis. The shares may be converted into shares of common stock at a rate of 1.48 shares of preferred stock for each share of common stock. The Company may redeem all or any part of these shares at any time after September 1, 1973 at a price of \$10 per share plus all accrued dividends. Holders of the Series A preferred stock are entitled to

one-quarter of one vote per share at all meetings of the stockholders.

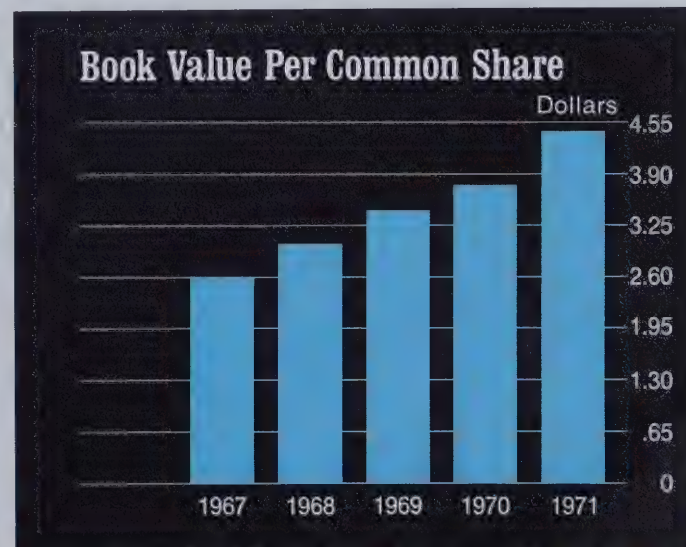
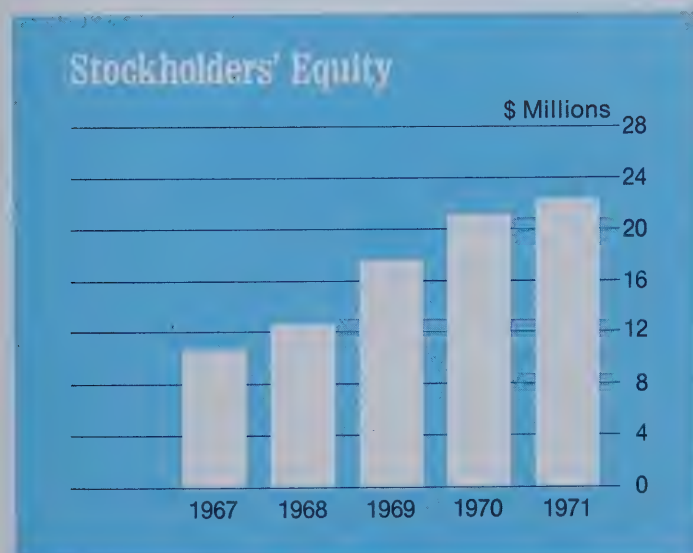
Holders of Series B Cumulative Convertible Preferred Stock are entitled to preference of \$10 per share upon liquidation or dissolution and to annual dividends of 55¢ per share. The Series B shares are convertible into shares of common stock at a rate of 1.39 shares of preferred stock for each share of common stock. The Company may redeem all or any part of these shares at any time after September 1, 1973 at a price of \$10 per share plus all accrued dividends. Holders of the Series B preferred stock have no voting rights.

Holders of Series C Cumulative Convertible Preferred Stock are entitled to preference of \$100 per share upon liquidation or dissolution and annual dividends of \$3 per share on a cumulative basis. The shares may be converted into shares of common stock at a rate of .1048 share of preferred stock for each share of common stock. The Company may redeem all or any part of these shares at any time after February 27, 1975 at a price of \$100 per share plus all accrued dividends. Holders of the Series C preferred stock are entitled to one vote per share at all meetings of the stockholders.

Warrants expiring on February 1, 1976, provide for the purchase of 32,441 shares of the Company's common stock at \$7.40 per share to August 1, 1973 and at \$9.25 per share thereafter.

At April 30, 1970, options were outstanding to certain employees under the Company's stock option plan to purchase 86,000 shares of common stock. During 1971, previously granted options as to 9,500 shares at \$10.125 per share and 1,000 shares at \$8.875 per share were cancelled. At April 30, 1971, options as to 79,275 shares were outstanding and exercisable at prices from \$8.45 to \$9.64 per share. At April 30, 1971, options as to 87,725 shares could be granted under the plan as compared with 81,000 shares at April 30, 1970.

In addition, the Company has granted options to certain former employees to purchase 21,525 shares of common stock at \$9.64 per share and 5,775 shares at



\$8.45 per share. These options expire March 14, 1973 and March 28, 1974, respectively.

An aggregate of 452,583 shares of common stock are reserved for issuance upon conversion of preferred shares, exercise of warrants and in connection with options.

The cost of the 525,000 shares of common stock of the Company held by Milwaukee Western Corporation has been eliminated from the Company's investment therein and reclassified to treasury stock for financial statement purposes.

All data have been adjusted for the 5% common stock dividend paid January 15, 1971.

Earnings per Common Share

Earnings per common share are based on the average number of shares of common stock outstanding during the fiscal year plus the number of shares of common stock issuable upon conversion of the Series C preferred stock.

The assumed conversion of the Series A and B preferred stock and exercise of the outstanding warrants and options had no dilutive effect on earnings per share data in 1971.

Contingent Liabilities and Commitments

Certain of the Company's subsidiaries have trustee retirement plans. A minimum of current costs plus interest on past service costs is being funded. The unfunded past service liability under such plans amounted to approximately \$757,000 at April 30, 1971. Total cost of the plans charged to consolidated income during 1970 and 1971 was \$110,000 and \$109,000, respectively, including \$53,000 and \$50,000 amortization of past service cost in the respective years. At April 30, 1971,

the actuarially computed value of vested benefits for all plans exceeded the total assets of the related pension funds and balance sheet accruals by approximately \$217,000.

The Company and its subsidiaries are obligated under long-term lease agreements, terminating on various dates to 1990, to pay decreasing annual rentals of \$627,000 to \$482,000 through 1974 and \$418,000 to \$21,000 from 1975 to 1990.

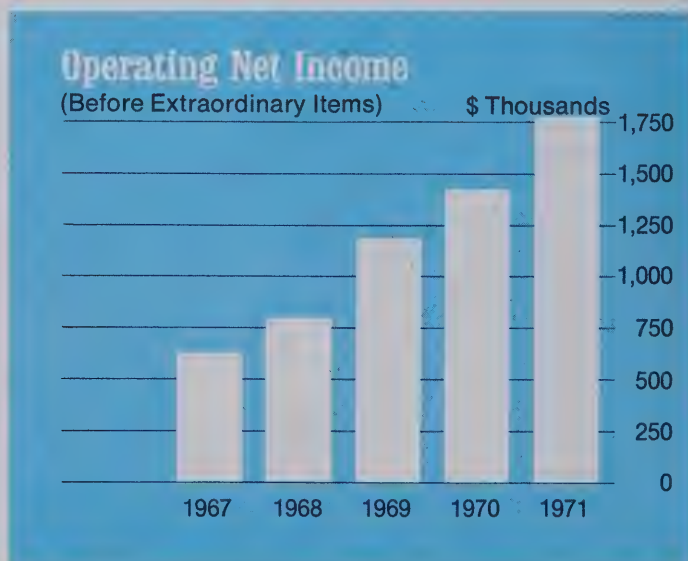
The Company is defendant in various legal actions. In the opinion of management and legal counsel, such actions should not result in judgments against the Company which would be material in relation to the consolidated financial statements.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and all its subsidiaries except Milwaukee Western Corporation which is carried at cost plus increase in equity since formation.

During the 1971 fiscal year, the Company acquired the outstanding stock of Connell Automotive Inc. for cash and long-term notes aggregating \$244,000 and its operations have been included in the accompanying financial statements for the four months of ownership in 1971.

The 1971 financial statements include net current assets and sales of \$7,005,000 and \$39,860,000, respectively, applicable to Canadian subsidiaries expressed in U. S. dollars at appropriate rates of exchange at April 30, 1971 and during the year then ended. The increase in exchange value of the Canadian dollar during 1971 is included in the income statement to the extent of \$321,000 from translation of net current assets of Canadian subsidiaries to U. S. dollars.



Statement of Consolidated Income

		Years Ended April 30	
		1971	1970
INDUSTRIAL	Net sales	\$59,002,916	\$60,863,785
	Interest income	325,914	297,614
		59,328,830	61,161,399
	Cost of sales	43,471,390	45,808,426
	Selling, distribution, general and administrative expenses	11,864,762	12,088,720
	Interest expense	861,719	1,040,082
		56,197,871	58,937,228
		3,130,959	2,224,171
REAL ESTATE AND DEVELOPMENT	Net sales and rental income	3,107,997	2,518,227
	Operating expenses	3,372,679	2,488,762
		(264,682)	29,465
FINANCIAL	Equity in income before income taxes	586,332	661,259
	Interest applicable to investment in financial subsidiary	179,546	244,740
		406,786	416,519
INCOME BEFORE INCOME TAXES AND EXTRAORDINARY ITEMS		3,273,063	2,670,155
	Provision for income taxes (Page 13)	1,500,000	1,250,000
INCOME BEFORE EXTRAORDINARY ITEMS		1,773,063	1,420,155
EXTRAORDINARY ITEMS, principally gain on sales of investments, net of deferred taxes of \$303,000		—	642,623
NET INCOME		\$ 1,773,063	\$2,062,778
EARNINGS PER COMMON SHARE (Page 14)			
	Income before extraordinary items	\$.36	\$.30
	Extraordinary items	—	.15
	Net income	\$.36	\$.45

See financial review on pages 11 through 14

Consolidated Balance Sheet

Assets		April 30	
		1971	1970
CURRENT ASSETS	Cash	\$ 3,585,232	\$ 3,197,640
	Accounts and notes receivable, less reserve of \$372,856 in 1971 and \$445,880 in 1970	11,717,661	10,755,915
	Inventories at lower of cost (first-in, first-out) or market	16,384,496	14,888,938
	Prepaid expenses	311,759	286,014
	Total current assets	31,999,148	29,128,507
INVESTMENT IN FINANCIAL SUBSIDIARY (Page 11)		4,587,909	4,183,737
NON-CURRENT NOTES RECEIVABLE (Page 12)		1,564,803	3,040,933
PROPERTIES (Page 12)	Operating	6,375,753	6,763,690
	Leased to others	2,243,006	1,312,621
	Land held for development	1,796,058	2,181,416
		10,414,817	10,257,727
OTHER ASSETS	Deferred moving and other expenses	467,201	621,036
	Cost of investments in consolidated subsidiaries in excess of equity in net assets at dates of acquisition (Page 12)	3,756,075	3,690,921
		4,223,276	4,311,957
TOTAL ASSETS		\$52,789,953	\$50,922,861

See financial review on pages 11 through 14

Liabilities and Stockholders' Equity

		April 30	
		1971	1970
CURRENT LIABILITIES	Notes payable principally to banks	\$ 5,802,561	\$ 4,360,088
	Accounts payable	7,902,316	7,109,370
	U. S. and Canadian income taxes (Page 13)	557,074	530,907
	Accrued liabilities	1,575,018	1,903,482
	Current portion of long-term debt (Page 12)	1,738,131	2,500,854
	Total current liabilities	17,575,100	16,404,701
LONG-TERM DEBT (Page 12)		11,584,942	11,917,372
DEFERRED INCOME TAXES (Page 13) AND OTHER LIABILITIES		821,563	884,892
MINORITY INTERESTS IN CONSOLIDATED SUBSIDIARIES		463,571	585,550
STOCKHOLDERS' EQUITY (Page 13)	Preferred stock, without par value, 10,000,000 shares authorized; issuable in series		
	Series A, \$10 stated value, 4.5% cumulative convertible, issued and outstanding 215,666 shares in 1971 and 1970	2,156,660	2,156,660
	Series B, \$10 stated value, 5.5% cumulative convertible, issued and outstanding 108,037 shares in 1971 and 100,037 shares in 1970	1,080,370	1,000,370
	Series C, \$100 stated value, 3% cumulative convertible, issued and outstanding 211 shares in 1971 and 22,340 in 1970	21,100	2,234,000
	Common stock, 10¢ par value, 15,000,000 shares authorized; issued and outstanding 5,214,168 shares in 1971 and 4,817,595 shares in 1970	521,417	481,759
	Capital surplus	16,479,470	13,814,865
	Retained earnings	5,024,421	4,333,591
		25,283,438	24,021,245
	Less common stock in treasury, at cost, 865,872 shares in 1971 and 827,872 shares in 1970	2,938,661	2,890,899
	Total stockholders' equity	22,344,777	21,130,346
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		\$52,789,953	\$50,922,861

Statement of Stockholders' Equity

	Preferred Stock	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock
BALANCE, April 30, 1969	\$3,173,750	\$478,754	\$13,750,406	\$2,962,875	\$2,819,037
Issuance of 22,340 shares of Series C preferred stock for acquisition of Homestead Corporation	2,234,000	—	—	—	—
Conversion of 1,672 shares of Series A preferred stock into 1,057 shares of common stock	(16,720)	105	16,609	—	—
Exercise of stock options for 29,000 shares of common stock	—	2,900	47,850	—	—
Dividend requirements on preferred stock					
Series A	—	—	—	(97,050)	—
Series B	—	—	—	(8,811)	—
Consolidated subsidiaries	—	—	—	(5,578)	—
Property dividend of 160,238 shares of Milwaukee Western Corporation common stock	—	—	—	(580,623)	—
Purchase of 15,500 shares of common stock for treasury	—	—	—	—	71,862
Net income	—	—	—	2,062,778	—
BALANCE, April 30, 1970	5,391,030	481,759	13,814,865	4,333,591	2,890,899
Common stock dividend of 5%	—	22,384	839,203	(895,347)	—
Series C preferred stock transactions					
18,097 shares converted into 172,736 shares of common stock	(1,809,700)	17,274	1,792,426	—	—
2,200 shares released from escrow	(220,000)	—	—	—	—
1,832 shares repurchased	(183,200)	—	32,976	—	—
Dividend requirements on preferred stock					
Series A	—	—	—	(97,050)	—
Series B	—	—	—	(54,573)	—
Consolidated subsidiaries	—	—	—	(35,263)	—
Issuance of 8,000 shares of Series B preferred stock in settlement of lawsuits	80,000	—	—	—	—
Purchase of 13,000 shares of common stock for treasury	—	—	—	—	47,762
Net income	—	—	—	1,773,063	—
BALANCE, April 30, 1971	\$3,258,130	\$521,417	\$16,479,470	\$5,024,421	\$2,938,661

See financial review on pages 11 through 14

Statement of Consolidated Working Capital

Years Ended April 30
1971 1970

WORKING CAPITAL WAS PROVIDED FROM	Net income	\$ 1,773,063	\$ 2,062,778
	Charges (credits) to income not involving working capital		
	Depreciation and amortization (principally on a straight-line basis)	689,995	792,266
	Provision for deferred taxes	147,000	351,000
	Equity in net income of financial subsidiary	(404,172)	(416,865)
		2,205,886	2,789,179
	Net decrease (increase) in non-current notes receivable	1,476,130	(2,488,953)
	Increase in long-term debt	1,473,200	616,266
	Book value of properties and investments sold	258,843	1,371,080
	Net decrease (increase) in deferred moving and other expenses	153,835	(79,476)
	Issuance of preferred stock	80,000	2,234,000
	Proceeds from exercise of employee stock options	—	50,750
		5,647,894	4,492,846
WORKING CAPITAL WAS REQUIRED FOR	Reduction of long-term debt	1,805,630	4,373,607
	Additions to properties including \$49,000 in 1971 and \$698,000 in 1970 applicable to companies acquired	1,105,928	1,393,901
	Release from escrow and repurchase of Series C preferred stock	370,224	—
	Decrease (increase) in other long-term liabilities	210,329	(523,649)
	Dividend requirements on preferred stock	186,886	111,439
	Purchase of minority interest in consolidated subsidiary	121,979	—
	Cost of investments in consolidated subsidiaries in excess of equity in net assets at acquisition	65,154	1,959,905
	Purchase of treasury stock	47,762	71,862
	Cost to issue 5% common stock dividend	33,760	—
	Additional investment in financial subsidiary	—	398,498
		3,947,652	7,785,563
NET INCREASE (DECREASE) IN WORKING CAPITAL		\$ 1,700,242	(\$ 3,292,717)

Report of Certified Public Accountants

THE BOARD OF DIRECTORS AND STOCKHOLDERS
STERLING PRECISION CORPORATION

We have examined the accompanying consolidated balance sheet of Sterling Precision Corporation and subsidiaries at April 30, 1971 and the related statements of consolidated income, stockholders' equity and consolidated working capital for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the statements mentioned above present fairly the consolidated financial position of Sterling Precision Corporation and subsidiaries at April 30, 1971 and the consolidated results of their operations and the source and application of their consolidated working capital for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Arthur Young & Company
New York, New York
June 4, 1971

Five-Year Financial/Operating Summary

(in thousands except shares outstanding and per share amounts)

		1971	1970	1969	1968	1967
SALES	Replacement parts	\$38,459	\$32,315	\$26,837	\$14,599	\$ 2,762
	Machine tools	7,500	8,890	7,852	9,103	—
	Materials handling	6,137	6,958	6,488	5,570	5,890
	Engineering and fabrication	3,986	3,410	4,082	3,569	5,335
	Office systems and supplies	2,921	3,713	2,767	1,197	1,191
	Real estate and development	2,912	2,272	545	—	—
	Divested operations	—	5,578	10,160	9,587	10,605
	Total	\$61,915	\$63,136	\$58,731	\$43,625	\$25,783
EARNINGS	Income before extraordinary items	\$ 1,773	\$ 1,420	\$ 1,182	\$ 793	\$ 621
	Extraordinary items	—	643	582	483	328
	Net Income	\$ 1,773	\$ 2,063	\$ 1,764	\$ 1,276	\$ 949
	Earnings per common share (a)					
	Before extraordinary items	\$.36	\$.30	\$.28	\$.20	\$.14
	Extraordinary items	—	.15	.14	.12	.09
	Net Income	\$.36	\$.45	\$.42	\$.32	\$.23
DIVIDENDS	Common	\$ (b)	\$ (c)	\$ —	\$ —	\$ —
	Preferred	187	111	—(d)	17	86
YEAR-END POSITION	Working capital	\$14,424	\$12,724	\$16,017	\$10,804	\$ 6,463
	Properties—net	10,415	10,258	11,027	8,482	4,154
	Total assets	52,790	50,923	49,145	38,488	21,949
	Long-term debt, excluding current portion	11,585	11,917	15,675	12,220	3,362
	Stockholders' equity	22,345	21,130	17,547	12,609	10,589
	Book value per common share	\$4.39	\$3.76	\$3.44	\$3.02	\$2.60
	Common shares outstanding (a)	4,348,296	4,189,209	4,173,924	4,173,924	3,778,128
OTHER DATA	Additions to properties	\$ 1,106	\$ 1,394	\$ 3,410	\$ 4,966	\$ 962
	Depreciation and amortization	690	792	792	574	508

(a) Adjusted retroactively for 5% stock dividend paid January 15, 1971

(b) 5% stock dividend

(c) Property dividend in shares of Milwaukee Western Corporation common stock

(d) On February 15, 1968, the Company redeemed all of the preferred stock outstanding as of that date



Executive Offices: One Rockefeller Plaza, New York, New York 10020

Directors

J. RUSSELL DUNCAN, *Chairman of the Board*

MATTHEW E. CARROLL, *President*

DWAYNE O. ANDREAS, *Director, Chairman of the Executive Committee and Chief Executive Officer of Archer-Daniels-Midland Company*

WILLIAM B. CUDAHY, *Director of First National Bank in Palm Beach, Florida*

RUFUS W. HANSON, *Executive Vice President, Retired, First National Bank of Minneapolis*

WILLIAM S. STUHR, *Investor, Industrialist and Attorney*

Officers

J. RUSSELL DUNCAN, *Chairman of the Board and Chief Executive Officer*

MATTHEW E. CARROLL, *President*

VINCENT P. BLAKE, *Secretary/Treasurer*

ROBERT A. LAWTON, *Vice President*

BERNARD W. KIERNAN, *Controller*

Operating Officers

EDMUND J. BRABANTS, *President, Connell Automotive Inc.*

THOMAS A. BRECKLES, *President, Upton Bradeen & James Ltd.*

WERNER G. GOERING, *President, Greater Arizona Ranches*

LEOPOLD MARTIN, *President, John Millen & Son Ltd.*

STEWART A. McKAY, *President, McKerlie Automotive Ltd.*

EDWARD G. MILLIGAN, *President, Homestead Corporation*

JOSEPH H. MILNE, *President, Amalgamated Metal Industries Ltd.*

RICHARD J. PILARSKI, *Vice President and General Manager, Upton Bradeen & James, Inc.*

RICHARD A. SACHS, *Chairman of the Board and President, Milwaukee Western Bank*

ARTHUR E. SMITH, *President, Selective Resources Corporation*

B. HARTWELL SMITH, *President, Nabors Trailers, Inc.*

JAMES A. VOSE, *President, R. Herschel Manufacturing Corp.*

RALPH L. WEAVER, *Vice President and General Manager, Elbe File & Binder Co., Inc. and C. E. Sheppard Co., Inc.*

Transfer Agent and Registrar

The Franklin National Bank

Trust Department

95 Wall Street

New York, New York 10015

Co-Transfer Agent

Continental Stock Transfer Company

2853 Kennedy Blvd.

Jersey City, New Jersey 07306

Stock Listing-Symbol STG

American Stock Exchange

Pacific Coast Stock Exchange



**STERLING
PRECISION
CORPORATION**

BALANCED GROUP OF COMPANIES

OPERATING UNITS

HEADQUARTERS

PRODUCTS AND SERVICES



Industrial

Replacement Parts

CONNELL AUTOMOTIVE INC.
R. HERSCHEL MANUFACTURING CORP.
McKERLIE AUTOMOTIVE LTD.
JOHN MILLEN & SON LTD.
THE WHITAKER MANUFACTURING COMPANY

Walpole, Massachusetts
Peoria, Illinois
London, Ontario
Montreal, Quebec
Peoria, Illinois

Automotive and agricultural replacement parts distribution including warehousing, jobbing, motor rebuilding and brake bonding; manufacture of agricultural parts and rotary mower blades.

Materials Handling

AMALGAMATED METAL INDUSTRIES LTD. (AMI)
NABORS TRAILERS, INC.

Toronto, Ontario
Mansfield, Louisiana

Highway trailers, vans, machinery and special use trailers, containers, municipal and industrial waste handling equipment.

Machine Tools

UPTON BRADEEN & JAMES, INC.
UPTON BRADEEN & JAMES LTD.

Detroit, Michigan
Toronto, Ontario

Design and distribution of machine tools, testing equipment and industrial supplies in U.S. and Canada.

Engineering and Fabrication

PLATE AND STRUCTURAL STEEL DIVISION OF AMI

Toronto, Ontario

Contract engineering, fabrication and installation of equipment in atomic energy, hydro-electric, pulp and paper, mining and other industrial fields.

Office Systems and Supplies

C. E. SHEPPARD CO., INC. (CESCO)
ELBE FILE & BINDER CO., INC.

Fall River, Massachusetts
Fall River, Massachusetts

Office supplies, filing supplies, binders, accounting systems, business forms.



Financial

MILWAUKEE WESTERN CORPORATION
BAYOU ACCEPTANCE CORPORATION
MILWAUKEE WESTERN BANK

New York, New York
Mansfield, Louisiana
Milwaukee, Wisconsin

Commercial banking; residential and commercial financing; trailer financing, special automotive and mobile equipment financing.



Real Estate and Development

SELECTIVE RESOURCES CORPORATION
GREATER ARIZONA RANCHES
HOMESTEAD CORPORATION

New York, New York
Tucson, Arizona
Sterling Heights, Michigan

Prefabricated and modular home construction, modular building components, land development and sales, leasing of industrial properties, agribusiness including ranching and farming.